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Agenda Item 4

December 12, 2011

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Annual Legislative Report – Sudan and Iran Divestment
- II. **PROGRAM:** Total Fund
- III. **RECOMMENDATION:** Approve transmittal of reports on companies with business operations in Sudan and Iran

IV. ANALYSIS:

This agenda item seeks approval to submit to the California Legislature:

- 1. Iran Related Investments – Annual Legislative Report (Attachment 1)
- 2. Sudan Related Investments – Annual Legislative Report (Attachment 2)

Upon approval by the Committee, staff will deliver both reports to the California Legislature before the January 1, 2012 deadline.

V. RISKS

Risk is related to not complying with constitutional California state laws that impose divestment and reporting provisions on CalPERS.

VI. STRATEGIC PLAN:

The Sudan and Iran Acts are not products of CalPERS Strategic Plan.

VII. RESULTS/COSTS:

CalPERS incurs internal and external costs of complying with the legislation estimated at \$285,000 plus de minimis transactional costs incurred by selling the securities subject to divestment.

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